

OCCUPATIONAL CODE (EXCERPT)

Act 299 of 1980

339.2505 Real estate broker's license; application; contents; execution of application; effect of certain convictions; place of business; branch office license; contents of application for salesperson's license; proof; examinations.

Sec. 2505. (1) An applicant for a real estate broker's license shall file an application setting forth the applicant's present address, both of business and residence; the complete address of each former place where the applicant has resided or been engaged in business, or acted as a real estate salesperson, for a period of 60 days or more, during the 5 years immediately preceding the date of application. An applicant for a real estate broker's license shall state the name of the individual, sole proprietorship, partnership, association, corporation, limited liability company, common law trust, or a combination of those entities and the location of the place for which the license is desired, and set forth the period of time which the applicant has been engaged in the business. The application shall be executed by the person, or by an officer or member of the applicant. An applicant for a real estate broker's license which is a partnership, association, corporation, limited liability company, common law trust, or a combination of those entities shall designate which individuals who are officers or members of the partnership, association, limited liability company, or corporation will be performing acts regulated by this article as principals.

(2) The department shall not issue a real estate broker's license to a new applicant who has been convicted of embezzlement or misappropriation of funds.

(3) A real estate broker shall maintain a place of business in this state. If a real estate broker maintains more than 1 place of business within the state, a branch office license shall be secured by the real estate broker for each branch office maintained. A branch office maintained in excess of 25 miles from the city limits in which the broker maintains a main office shall be under the personal, direct supervision of an associate broker.

(4) An applicant for a salesperson's license shall set forth the period of time during which the individual has been engaged in the business, stating the name of the applicant's last employer and the name and the place of business of the individual, partnership, association, limited liability company, corporation, common law trust, or combination of those entities then employing the applicant or in whose employ the applicant is to enter. The application shall be signed by the real estate broker in whose employ the applicant is to enter.

(5) Before issuing a license, the department may require and procure satisfactory proof of the business experience, competence, and good moral character of an applicant for a real estate broker's or salesperson's license or of an officer or member of an applicant. The department shall require an applicant for a broker's or salesperson's license to pass an examination developed by the department or contracted for with a recognized outside testing agency establishing, in a manner satisfactory to the department, that the applicant has a fair knowledge of the English language, including reading, writing, spelling, and elementary arithmetic; a satisfactory understanding of the fundamentals of real estate practice and of the laws and principles of real estate conveyancing, deeds, mortgages, land contracts, and leases; the obligations of a broker to the public and a principal; and the law defining, regulating, and licensing real estate brokers and salespersons. The department may require written examination or written reexamination of a broker or salesperson, and in that case a passing score satisfactory to the department is required as a condition precedent to relicensure of a broker or salesperson. The department shall require proof that each applicant for a real estate broker's license has the equivalent of 3 years of full-time experience in the business of real estate or in a field that is determined by the department to be relevant and related to the business of real estate.

History: 1980, Act 299, Imd. Eff. Oct. 21, 1980;—Am. 1981, Act 83, Imd. Eff. July 1, 1981;—Am. 1988, Act 16, Imd. Eff. Feb. 18, 1988;—Am. 1988, Act 463, Eff. Sept. 1, 1989;—Am. 2003, Act 196, Imd. Eff. Nov. 10, 2003.

Popular name: Act 299